



# Tradequity

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## What Implications does the 'Bali Package' have for Africa?

The 9th World Trade Organisation (WTO) Ministerial Conference concluded in Bali, Indonesia on December 07, 2013 with the Ministers delivering "The Bali Package". This came after intensive negotiations over three days that went into the night. Consensus on the Bali package has sent a strong signal and remains a great attempt to restore the dignity of the multilateral trading system and many commentators say it sets the right path towards concluding the Doha Round.

The Bali package contains an agreement on least developed countries (LDCs) package, agriculture and trade facilitation. The trade negotiations focused on reducing the cost of trading through binding commitments in customs procedures and regulations. A commitment on Aid for Trade was also reaffirmed by delegates, which is to be thoroughly framed in the Post-2015 global development agenda. The second important part of the package on agriculture, more specifically on food-stock holding, presented the main action in Bali.

Perhaps the most important part of the package for Africa was the agreement on trade facilitation. The agreement is expected to benefit the world economy by increasing global trade from between US\$400bn and US\$1tn.

The agreement seeks to speed up customs procedures, make trade easier, faster and cheaper, provide clarity, efficiency and transparency, reduce bureaucracy and corruption, and use technological advances. It also has provisions on goods in transit, which is of particular interest to 16 landlocked countries in Africa that relies on ports from neighbouring countries to trade.

The agreement on trade facilitation conditions the implementation of some categories of obligations by developing and LDCs to the provision of technical and

capacity building assistance. This will, therefore, provide opportunities for increased support to African economies to realise obligations under the agreement. What is, however important is the need for Africa to build internal capacity to promote agriculture, investment and value addition to enhance gains of trade facilitation.

Also, critical is the need to address issues of market access, i.e. tariffs and non-tariff barriers in developed economies that have constrained Africa from fully benefiting from international trade in spite of arrangements, such as Everything But Arms (EBA) initiative and African Growth & Opportunity Act (AGOA). More disappointingly, the sluggish path toward deeper regional integration also reflects the internal capacity constraints facing African countries.

Negotiations on food-stock holding were centred on shielding developing countries from legally being challenged even if a country's agreed limits for trade-distorting domestic support were breached. India's food security programme was the main concern that placed the country against US and other developed countries. The deal was to put in place an interim mechanism until a permanent solution was found.

This deal truly promotes development, and at the same time food security, which is a big challenge for many African economies. However, most African countries lack the capacity to implement such a programme due to financial constraints and other factors, such as change in climatic conditions which continue to affect agricultural yields.



Conclusively, the Bali Declaration reaffirms (Members') commitment to the WTO as the pre-eminent global forum for trade. It, therefore provides the much needed boost for the multilateral trading system by giving the WTO lifeline through restoring the confidence of members on the organisation to promote international trade.

Africa continues to face trade related developmental (productive and supply side) constraints in its pursuit to increase its trade. However, since the Bali package keeps the Doha Round alive, it salvages hope for trade related developmental issues to be addressed. The agreement on trade facilitation must be accompanied by more favourable policies that promote local capacity development and improved access to markets for African economies.

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CUTS Africa

Email: [lusaka@cuts.org](mailto:lusaka@cuts.org) (Lusaka)

Email: [nairobi@cuts.org](mailto:nairobi@cuts.org) (Nairobi)

Email: [accra@cuts.org](mailto:accra@cuts.org) (Accra)

Website: [www.cuts-international.org/ARC](http://www.cuts-international.org/ARC)

## Ghana Unlikely to Meet MDG-4

Even though Ghana is largely on track to achieve most of the Millennium Development Goals (MDGs), it is unlikely that the 2015 target on MDG-4 will be met unless coverage of effective child survival interventions is increased, the Minister of Health Sherry Ayitey said.

MDG-4 demands governments to reduce by two-thirds the under-five mortality rate by 2015. To reach this goal, Ghana must cut under-five mortality to less than 50 deaths per 1,000 live births, but the ratio is currently above 70 per 1,000 according to the African Development Bank (AfDB).

SSA Africa has achieved only about 30 percent reduction in under-five mortality, which is less than half of what is required to reach MDG-4 by 2015.

(*www.ghanaweb.com*, 12.11.13)



### Zambia-Japan Strengthen Ties

Zambia continues to eye more investment flows from Japan in 2014 after trade volumes between the two nations tripled to nearly US\$156mn over the last three years. Japanese investments into Zambia have been on an increase, with companies, such as Hitachi Construction Machinery Zambia, which has alone invested US\$15mn.

According to the Zambia Chamber of Commerce and Industry (ZACCI), Zambia is still seeking Japanese investors to increase their presence in various sectors of the economy to contribute to the development of the country.

ZACCI confirmed that the Zambia Development Agency, in conjunction, with Japan External Trade Organisation and the Embassy of Japan would hold the 'Zambia-Japan Trade and Investment Promotion Forum' aimed at promoting business between Zambia and Japan, and to explore possibilities for further involvement of Japanese companies in the economic development of Zambia.

(*TP*, 26.12.13)

### Income Inequalities in Kenya

Kenya has the second biggest income inequalities in East Africa after Rwanda, a new report shows. The State of East Africa 2013 report released in Nairobi indicates the income of 10 percent of Kenya's richest is 2.81 times the combined incomes of the poorest 40 percent.

Continued decline of the labour-intensive agricultural and manufacturing

sectors has locked many Kenyans out of formal jobs, deepening social inequality despite recent years of economic recovery.

"Generally, the evolving nature of EAC economy has seen services growing at speeds twice that of agriculture and manufacturing and has rendered most citizens jobless," said Aidan Eyakuze, Programmes Director, Society for International Development. (*BD*, 25.11.13)

### Railway Cuts Cost/Time of Travel

The Mombasa-Nairobi railway will revolutionise long-distance travel and haulage in the region by reducing the cost and time of moving goods and people across East Africa.

President Kenyatta allayed fears that the project will isolate Tanzania. Once the line is completed, transport costs in the East Africa region will reduce by more than 60 percent. This, in turn, will spur expanded production and reduce the cost of goods and services.

Kenyatta said that Tanzania, an East African Community member, will be connected through a new line to be built from Voi through Taveta on the Kenyan side.

(*DN*, 29.11.13)

### Africa yet to Embrace PPPs

"Private sector funding for infrastructure projects is not a great challenge in Africa. The greatest challenge is preparing bankable infrastructure projects, which will attract investment from the private sector through Public Private Partnerships (PPPs)" says

COMESA Secretary General, Sindiso Ngwenya.

He observed that even as the African governments face financial constraints, over US\$5.4bn has been provided by the AfDB alone in infrastructure investments in the continent through financing of PPPs over the past five years.

"PPPs are ideal sources of finance for infrastructure projects, primarily because of the colossal amounts of funds required to finance such projects and their complexity," said Ngwenya.

(*www.allafrica.com*, 03.11.13)

### Benefitting from Rice Initiative

Kenya is among the six countries in sub-Saharan Africa that will benefit from a new rice initiative. This involves the development of hybrid rice varieties. The strategy is expected to give an extra tonne per hectare, compared to current varieties.

In a PPP project known as 'Hybrid Rice: Breeding by Design' being coordinated by the African Agricultural Technology Foundation (AATF), partners aim to develop hybrid rice varieties with improved yield.

"In the next 15 years, the project expects to enable African researchers and seed traders to reach 500,000 rice farmers with hybrid rice that delivers a yield advantage of at least a tone per hectare over the most competitive inbred varieties," says Denis Kyetere, AATF's Executive Director.

(*TS*, 09.12.13)

### Ghana to Boost Infrastructure

The government is to set up the Ghana Infrastructure Fund (GIF) to deal with the huge infrastructure deficit and to focus on strategic infrastructure that will lead to job creation and the growth of the economy.

The GIF will be a quasi-fiscal body that will be chaired by the Minister of Finance and in due course, pursue its own 'ratings' on the domestic and international financial and capital markets.

He noted that the GIF will focus on strategic infrastructure in partnership with the private sector, adding that currently Ghana's financial and capital markets are constrained with limited availability of long-term finance both local and international to support both the public and private sector infrastructure projects.

(*B&FT*, 20.11.13)

## Kenya's Exports to UK Plummet

Kenya's exports to Britain dropped by four percent in the 12 months to July, further widening a trade imbalance that shifted in 2012 in favour of the UK. Data from the Kenya National Bureau of Statistics (KNBS) shows that Kenya's exports to Britain dropped to Sh22.3bn in 12 months to July, while imports from its former colonial master went up to Sh29.7bn from Sh26bn over a similar period last year.

Kenya mainly exports agricultural goods to Britain. Stephen Mbithi, Chief Executive, Fresh Produce Exporters Association, said the drop in exports to the UK was partly attributable to denied entry of agricultural products by the British authority due to pesticide use restrictions.

The Economic Survey report for 2013 notes that exports to the UK dropped by Sh7bn "mainly due to a drop in tea exports from Sh17.4bn to Sh13.8bn during the review period." (BD, 21.10.13)

## Poland-Zambia-SA Trade Ties

Zambia is currently among the fastest growing economies in the world, and the GDP there has grown at a rate of about 7 percent per year since 2005. Polish exports to Zambia in 2012 amounted to US\$6mn, some seven times greater than in 2008, Prime Minister, Donald Tusk said.

Tusk's delegation to South Africa and Zambia which includes a number of Polish business leaders from the mining, transport, defence, construction and home furnishings industries, among others expressed interest in building trade ties with Zambia.

The copper industry plays a key part in the economies of both Zambia and

Poland, presenting opportunities for cooperation in this sphere between the two countries.

(<http://lukzambians.co.uk>, 21.10.13)

## Bitter Times for Kenyan Millers

Sugar millers are feeling the pinch of duty-free sugar imports which have left them with piles of unsold stocks. Butali Sugar Company, which has been in the news over the controversy on how it acquired a milling licence, has more than 2,750 metric tonnes of sugar in its stores.

"We have been compelled to crush at least 1,450 tonnes of cane per day down from 1,650 tonnes because we already have a lot of sugar which is yet to be disposed off," said Butali Sugar Administration Manager Pratap Keshwala. He said that sugar prices had been eroded by illegal imports.

Keshwala urged the government to intervene and revoke all licences issued to importers of sugar from the COMESA trading bloc. (BD, 25.11.13)

## Kenyan Dairy Sector Thriving

Advanced dairy farming practices in the last 10 years has raised milk production and supplies to processors by 3.2 billion litres. Agriculture Cabinet Secretary Felix Koskei said that during the period farmers had been embracing grade cows and turning to 'zero grazing', while creating more space for growing fodder.

Initially, he added, most farmers used to let their animals free to graze in the pasture. But with the introduction of zero grazing even people living in the suburbs are able to keep dairy cows, a phenomenon made possible through training that ran in tandem with the new methods.

(BD, 18.11.13)

## Tanzania: Major Coal Supplier

Tanzania is targeting to produce at least 5.5 million tonnes of coal annually by 2020 up from the current 100,000 tonnes, hoping to supply key markets like Kenya and Somalia.

The country has proven deposits of a billion tonnes, and is currently mining 360,000 tonnes per year through a joint venture with Tancoal, with the government owning a 30 percent stake.

Tancoal is mining and supplying coal to domestic and regional industrial markets that deal in steel, cement, lime, gypsum and chemicals from its 423 million tonnes resource base in Mbalawala mine, in Ngaka coal fields in southern Tanzania.

(TEA, 23.11.13)

## ZNFU to Diversify Agric Sector

Zambia National Farmers Union (ZNFU) has commended the government on its stance to diversify the agriculture sector. ZNFU Media Liaison Officer Calvin Kaleyi said "a feasibility study has been going on at Kasumbalesa border post in Chililabombwe for the construction of an agricultural trading centre."

The ZNFU says the construction of an agricultural trading centre at Kasumbalesa, on the border with the Democratic Republic of Congo, has been earmarked for 2014-15 national projects. During the same period, ZNFU plans to establish a similar centre in Petauke.

Kaleyi said ZNFU wants to facilitate a system that will help farmers market their produce and get the benefits from farming activities while also promoting other cash crops such as soya beans, wheat, sorghum and cotton instead of concentrating on growing maize only. (ZDM, 17.12.13)

# Small-scale Border Trading Flourish in Zambia

"Small scale trading at Mwami-Mchinji, Chirundu and Livingstone-Victoria falls borders is contributing about US\$7.7mn monthly revenue to the government", World Bank Senior Trade Economist Nora Dihel said.

She said allowing trade to flourish is key in promoting economic growth, employment opportunities and poverty reduction in Zambia. A significant amount of cross-border trade between Zambia and its neighbours has remained in informal channels.

She said, in terms of trade facilitation, adopting a clear national logistics strategy as well as a proactive approach to regional logistics is imperative to lowering the high trade costs within the country and across Zambia's borders. (ZDM, 13.12.13)





### Ghana Needs a Competition Law

The Ghanaian economy needs a competition law to ensure its proper functioning in the interest of consumers and producers, Justice Samuel Date-Bah, retired Justice of Supreme Court said.

He said Ghana did not have a competition legislation in spite of having had a few draft statutes formulated which never caught the fancy of policymakers as a priority matter. Date-Bah said this at a Policy Roundtable Discussion on 'Competition Reforms in Ghana' organised by CUTS Accra.

The roundtable discussion was organised on 5<sup>th</sup> December to mark the World Competition Day.

(GNA, 05.12.13)

### Local Content Bill for Oil Sector

Ghana's Parliament has passed the much-awaited Petroleum (Local Content and Local Participation) Regulation, 2013 to put Ghanaians at the forefront of all petroleum activities and ensure that they benefit from the country's new resource.

The regulation will also ensure a transparent monitoring system to meet the objectives of the government's economic development. Under the law, indigenous Ghanaian companies will be given first preference in the grant of petroleum agreements and licences.

There shall be at least five percent equity participation by an indigenous Ghanaian company other than the Ghana National Petroleum Company (GNPC) before an international oil company is deemed qualified to enter into a petroleum

agreement or licence, unless otherwise approved by the minister.

(www.gbc.com.gh, 21.11.13)

### Export Trade Bill Passed

Ghana's Parliament passed the Export Trade, Agriculture and Industrial Development Fund Bill to establish a fund for export trade and industrial development. It will also provide financial resources for the development and promotion of export trade, agro-processing and industrial development.

The Export Development and Investment Fund was established by the Export Development and Investment Fund Act, 2000 (Act 582), and it became operational in 2001 as an agency of the Ministry of Trade and Industry.

The fund was initially established to provide financial resources for the development and promotion of export trade by creating an innovative way of strengthening the financial independence of the country and reducing the dependency on the assistance from development partners.

(www.graphic.com.gh, 16.12.13)

### Cedi Depreciation

The Chairman of the Swiss-Ghanaian Chamber of Commerce, Dr Nortey Omaboe, has said the depreciation of the Ghanaian Cedi, unstable electricity supplies, coupled with difficulties at the ports and the high cost of credit among others were issues that were plaguing members of the Chamber.

Also, the slowdown in activity in 2013, characterised by adverse variances

in revenues, with actual targets falling below expectations, were some of the challenges currently facing the Chamber.

The event, held under the theme: "Enabling Businesses in Ghana: New Policy Initiatives in Trade & Industry," was meant to provide an opportunity for member to interact with the Minister of Trade and Industry.

(www.graphic.com.gh, 12.11.13)

### Zambia to Benefit from WTO

Zambia has been urged to revise its border operation and institutional reforms to effectively benefit from the newly signed US\$1tn World Trade Organisation (WTO) single window for trade logistics deal.

Zambia Revenue Authority (ZRA) corporate communications manager Mumbuna Kufekisa said the creation of a single window for trade logistics will facilitate trade and ZRA is keen to play its role on this aspect.

He said for Zambia to maximise the benefits from the WTO deal, there is need for overall reforms on border operations and overall institutional reforms towards creation of efficient and effective trade logistics framework.

He further stated that the initiative will also promote both local and foreign investments in sectors that are export-oriented. The initiative is expected to boost non-traditional exports, labour in the agricultural sector, earn the country foreign exchange and reduce dependence on foreign exchange earnings from copper.

(ZDM, 27.12.13)

## Global Market for Kenyan Seeds



The Kenya Forestry Research Institute (KEFRI) can now sell seeds in the world market following admission to a global agency. The institute, in partnership with the Kenya Plant Health Inspectorate Service (KEPHIS), has become a member of the Organisation of Economic Co-operation and Development (OECD) Forest Seed and Plant Schemes.

This international agency develops global standards on certification and trade of forestry seed used by the 58 member countries. "Kenya will reap the benefits of globalisation and penetrate global markets under this scheme," said Ben Chikamai, Director, Kefri.

He said that Kenya would initially present a provisional list of four to six species. The scheme aims to encourage production and use of forest tree seeds or plants that have been collected, processed, raised, labelled and distributed in a manner that ensures their quality.

(BD, 24.10.13)

## Regional Round Up

### Africa Closer to Single Trade Bloc

Leaders of Africa's top trading blocs agreed on free trade rules, pushing the long standing search for a single continental market closer to reality.

About 100 trade and customs experts from 26 countries under Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and Southern African Development Community (SADC), met in Mauritius and agreed on the general rules to apply on the free trade area (FTA) that will bring the three blocs together.

The agreements cover continental FTA's rules of origin, programme for eliminating barriers to trade both technical and non-tariff, and a dispute settlement mechanism. ([www.trademarksa.org](http://www.trademarksa.org), 30.12.13)

### Deepening Regional Integration

Africa's quest for deeper integration has to be backed by active support of national governments and strengthening of national administrative capacity to achieve structural transformation. During the closing ceremony of the eighth African Economic Conference (AEC) in Johannesburg, participants underscored that politicians and technocrats have to combine efforts to accelerate the regional integration agenda.

While over the past decade, Africa's commitment to regional economic integration has moved closer to reality with the continent's total trade (both imports and exports) tripling in value to US\$1.2tn, challenges remain, including inadequate hard infrastructure, in particular poor transport connections, costly and unreliable power supplies.

([www.allafrica.com](http://www.allafrica.com), 05.11.13)

### Intra-EAC Trade Rises

East African countries traded more with each other in 2012 than in previous years, growing trade volumes by 22 percent. The data from the EAC Secretariat shows that intra-EAC trade grew to US\$5.5bn in 2012, up from US\$4.5bn recorded in 2011, even as the five member states Kenya, Uganda, Rwanda, Tanzania and Burundi dithered on the elimination of non-tariff barriers (NTBs).

The volume of trade is expected to go up in 2013 with the elimination of a number of barriers across the region. Fast-moving goods like oil, maize, oranges and cement were the major goods traded, as

## Food Security in COMESA

The COMESA expressed worry over the food situation in the region. The food situation in the region was due to reductions in food production in 2012. COMESA Senior Agricultural Adviser and Comprehensive Africa Agriculture Development Programme (CAADP) Coordinator Sam Kanyarukiga disclosed this at the 5th Africa Grain Summit held in Mombasa, Kenya on October 01-03, 2013.

Kanyarukiga said in 2012, most COMESA member states registered between four to 30 percent reductions in cereal production because of erratic rains adding that the picture for 2013 is similar with most areas still affected by water stress and diseases among others.

According to Food and Agriculture Organization (FAO) 2013 report, about 10 countries in Eastern and Southern Africa will require external assistance for food.

(COMESA, 13.10.13)



well as clothing, black tea and liquefied natural gas.

The EAC statistics indicate that the growth was driven by the increase of imports and exports that went up by 20.7 and 23 percent, respectively.

(TEA, 03.11.13)

### Remove Hurdles to Trade

Ghana's Vice President has called on African leaders to remove artificial bottlenecks that hinder trade among their respective countries.

"The participation by a mixture of economic operators is an indication of the private sector to play a lead role in our economic revival. As a sub-region, we owe it to the future generation to make sure that factors that inhibit free trade among ourselves are removed. It is only when we remove such barriers that we can reap from the integration," he said.

Welcoming the participants, the Minister of Trade and Industry, Haruna Iddrisu said, aside enabling countries to showcase their goods, the fair would provide the platform for networking.

([www.ghanaweb.com](http://www.ghanaweb.com), 01.11.13)

### Regulation for Food Fortification

Ten out of 15-member states of Economic Community of West African States (ECOWAS) have mandatory regulation for the fortification of oil and flour. Mali only has a mandatory regulation for the fortification of wheat

flour and a voluntary oil fortification regime, while Cape Verde voluntarily fortifies wheat flour, with Liberia accelerating processes to fortify wheat flour.

The progress, however, is with challenges, and partners across the health, industrial food production, child health, regional non-governmental organisations and governmental agencies met in Accra for a two-day meeting on the harmonisation and regulation of standards in relation to food fortification in the sub-region. ([www.graphic.com.gh](http://www.graphic.com.gh), 18.11.13)

### Ghana & Nigeria in Trade Tussle

Nigerian traders in Ghana have dragged the country to the ECOWAS Court of Justice over the enforcement of the Ghana Investment Promotion Council (GIPC) Act.

The Act, which was revised in July 2013, among others, specifies the criteria foreigners would have to meet before they can be allowed to do business in the country.

It also bars foreigners from trading in the country's markets. The petitioners, led by the National Association of Nigerian Traders and the Nigerian Union of Traders Association, Ghana, believe the Act is in contravention of the ECOWAS Protocol on Free Movement of Goods and People and are thus, praying the sub-regional court to intervene and stop Ghana from continuing with its implementation and enforcement. ([www.ghanaweb.com](http://www.ghanaweb.com), 18.11.13)

## Power Tariffs Rise Across Countries



### Zambia

The Government of Zambia through the Energy Regulation Board (ERB) had approved an increment in the electricity tariffs. The Zambia Consumer Association Executive Director Muyunda Ililonga is disappointed with the decision made by the ERB to approve the application to increase electricity tariffs by the Zambia Electricity Supply Corporation (ZESCO).

Ililonga said the tariff increment will make life very expensive for the average Zambian. He said the tariff hike will also have a spiral effect on the price of goods as they will be more expensive because providers of goods and services will be considering the price of electricity.

He, therefore, called on the government to reconsider the decision to enable the ordinary Zambian have access to electricity at a relatively affordable price. *(LT, 27.12.13)*

### Kenya

The energy sector regulator in Kenya announced new electricity tariffs, setting consumers up for a steep rise in monthly bills beginning December when the first in a series of the higher charges comes into effect.

Consumers will pay Sh3.93 for the first 50 units of electricity consumed or nearly double the current rate of Sh2, according to the new rates that the Energy Regulatory Commission (ERC). The tariffs are up by Sh2.2 to Sh10.3 per unit for those consuming between 50 units and 1,500 units while those consuming higher amounts will pay Sh20.5 per kilowatt hour (Kwh) up from the current Sh18.57.

Though the regulator left the fixed charge paid monthly regardless of consumption at Sh120 for domestic customers it was not clear whether the same applies to commercial users. The new tariffs mean that households using 50 Kwh and below will see their monthly consumption bills jump 17 per cent to Sh802.5 in December from the current Sh685.7. *(BD, 19.11.13)*

### Ghana

The Public Utilities Regulatory Commission (PURC) of Ghana has announced new tariffs for water and electricity effective January 01, 2014. The new adjustment had been precipitated by the full implementation of the automatic adjustment formula (AAF).

Subsequently, consumers would be required to pay an increase of 9.7 percent on electricity and 6.80 percent on water.

According to the PURC, the price of crude oil on the international market, the cedi-dollar exchange rate and the rate of inflation were the key variables that influenced the adjustment.

*(www.graphic.com.gh, 24.12.13)*

### High Mealie Meal Prices

Millers declared a dispute with Agriculture Minister Robert Sichinga over his directive that mealie-meal prices should not exceed K65 and K45 for breakfast and roller meal, respectively.

The Millers Association of Zambia (MAZ), a body that represents milling firms' interests in the country, said it will be difficult to reduce the prices of mealie-meal because the government was selling maize at a price of US\$1,700 per ton which was not agreed upon by stakeholders.

However, Siabutuba, former Board Chairperson, Civil Society for Poverty Reduction, said the government and the millers have a moral obligation to the poor Zambians and should therefore curb mealie-meal price hikes.

Mealie-meal prices are still on the rise with many places across the country selling a 25 kilogram bag of breakfast above K75 and the majority of consumers will continue to be affected if the price of mealie-meal remains unaffordable. *(www.postzambia.com, 24.12.13)*

### Marginal Drop in Pump Prices

The maximum pump prices of super petrol, diesel and kerosene set by the ERC have dropped on reduced importation costs, global oil prices and a stable currency.

ERC said that the price of super petrol country wide will go down by Sh3.40 per litre, diesel by Sh1.20 and kerosene by Sh2.20 which is the biggest drop over the past three months. ERC said that the average landed cost of imported super petrol decreased by 2.81 percent to US\$1,010.42 per tonne in October compared to US\$1,039 per tonne in October but the imported cost of diesel and kerosene went up by 0.31 percent and 0.16 percent respectively.

"The price of murban crude oil lifted in October was posted at US\$112.45 per barrel, a decrease of 1.79 percent from US\$114.50 per barrel in September," said the ERC in a statement. *(BD, 14.11.13)*

### Parliament Wade into Tobacco Affair

Tobinco Pharmaceutical Limited has welcomed the decision of the Parliamentary Select Committee on Health to intervene in the company's disagreements with the Food and Drugs Authority (FDA).

The Parliamentary Committee on Health called for a halt in the ongoing media war between Tobinco Pharmaceutical, the Ministry of Health and the Pharmaceutical Society of Ghana (PSG), on the one hand, and the FDA, on the other.

It said it deemed the current situation as unnecessary and unhelpful and urged all parties to cooperate in the ongoing inquiry to create a congenial atmosphere for the resolution of all issues.

The Committee asked the law enforcement agencies to exercise tact and discretion in their efforts at investigating and enforcing the law in consonance with the rule of law. *(www.ghanaweb.com, 14.12.13)*



# Economic Transformation is Key to Africa's Global Agenda

Othman Semakula\*

One of Africa's harsh realities is not the absence of resources but the lack of the will for the continent to transform its economies to augment its desire to be listened to as well as influence the global agenda.

One would be tempted to ask whether, if given the chance, Africa has the maturity to present its case among global economic powers.

While presenting a paper during the G20 African summit organised by the South Africa Institute for international affairs in Johannesburg, recently, Godber Tumushabe, the Advocate Coalition for Development and Environment, the former executive director, said whereas Africa's growth in the last two decades could not be disputed, it has not been transformative and is out of touch with the ordinary man. In other words, he said, the growth has not been able to lift the ordinary man out of poverty and continues to lack basic aspects of economic transformation.



www.ukzambians.co.uk

Contents of a report released recently by the Uganda Bureau of Statistics (Ubos), are indeed in tandem with Tumushabe's perception. The report says whereas poverty has reduced from 24.5 percent to 22 percent in 2012-13, the gap between the rich and the poor continues to spiral. Income inequality increased from 42.1 percent to 43.1 percent.

With much of Africa still relying on agriculture, it is indicative that there has not been much transformation in terms of industrialisation, manufacturing and technology. Basic economic transformation denotes that a country can only achieve tangible alteration if it is able to reduce on the number of people involved in agriculture but with marked improvement in output from the sector.

In other words, when a country achieves such a stage its people can be employed in other sectors of the economy that are primarily fed by agriculture. Here the sector is deemed to have grown to commercial levels. In his address during the summit, Pravin Gordhan, the South African Finance minister, said whereas much had been achieved in the last two decades in terms of growth, Africa still had a long way to achieve a meaningful impact on global trade and economic transformation.

He said it was time for the continent to work towards achieving its famous tagline of being the "next big thing" that has become a song for about a decade now. It would be hard for Africa to influence global trade if it continues to be a net importer.

It is estimated that more than 80 percent of the goods consumed in Africa are either imported from Europe, Asia or the Americas. This, according to analysts, makes Africa a market of sorts, which inhibits the continent's ability to grow its manufacturing and industrial sector.

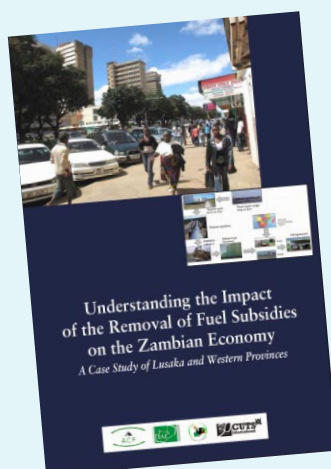
Whereas Africa has been tagged 'the next big thing', few countries have raised up to the occasion to lay a solid foundation that could augment the continent's invitation to the high table. Often, global trade negotiations and economic transformation leave Africa on the sidelines with less or no representation at all. Stories are told of how African leaders only find comfort in corridors where they wane through a raft of idea but are never given a chance to discuss them at the high table. Governments need to play a better role by taking part in global trade negotiations.

***African leaders need to look at the continents continuous economic and developmental growth and assess whether its development meets the needs of the present.***

\* Business Journalist, Daily Monitor.  
Abridged from an article that  
appeared in the Daily Monitor on  
December 17, 2013.



## Research Report



## Understanding the Impact of the Removal of Fuel Subsidies on the Zambian Economy – A Case Study of Lusaka and Western Provinces

The overall objective of this study is to contribute to a deeper understanding of the nature and dynamism of the fuel subsidy removal on the Zambian economy (carried out in early 2013). This publication is expected to inform state and non-state actors on the issue and provide some thoughts on the possible way forward.

This study seeks to evaluate the welfare implications of the fuel subsidy reform implemented in Zambia by assessing the impact of the fuel subsidy removal on key sectors of the economy. It assesses the reform process against best practice, discusses issues that need to be addressed when designing subsidy reforms to enhance success and assesses the extent to which the reform process has buy-in from stakeholders.

This research report can be viewed at:

[www.cuts-international.org/ARC/Lusaka/LECOP/pdf/Project-Report\\_Impact\\_of\\_the\\_Removal\\_of\\_Fuel\\_Subsidies\\_in\\_the\\_Zambian\\_Economy.pdf](http://www.cuts-international.org/ARC/Lusaka/LECOP/pdf/Project-Report_Impact_of_the_Removal_of_Fuel_Subsidies_in_the_Zambian_Economy.pdf)

We want to hear from you....

Please e-mail your comments and suggestions to [cuts@cuts.org](mailto:cuts@cuts.org)

We put a lot of time and effort in taking out this newsletter and it would mean a lot to us if we could know how far this effort is paying off in terms of utility to the readers. Please take a few seconds and suggest ways for improvement on:

- Content
- Number of pages devoted to news stories
- Usefulness as an information base
- Readability (colour, illustrations & layout)

### Sources

BD: Business Daily; B&FT: Business & Financial Times; LT: Lusaka Times; TEA: The East African; ZDM: Zambia Daily Mail; TP: The Post; DN: Daily Nation; TS: The Standard; GNA: Ghana News Agency

**Tradeequity** newsletter: Composed by **CUTS International Lusaka**, Plot 3653, Mapepe Road, Olympia, P.O. Box 37113, Lusaka, Zambia, Ph: +260.211.294892, Fax: +260.211.294892, E-mail: [lusaka@cuts.org](mailto:lusaka@cuts.org), **CUTS Nairobi**, Yaya Court 2nd Floor, No.5, Ring Road Kilimani off Argwings Kodhek Road, PO Box 8188, 00200, Nairobi, Kenya, Ph: +254.20.3862149, 3862150, 20.2329112, Fax: +254.20.3862149, Email: [nairobi@cuts.org](mailto:nairobi@cuts.org), and **CUTS Accra**, 30, Ground Floor, Oroko Avenue, Near Central View Hotel & ATTC, Kokomlemle, Accra, Ghana, Ph: +233.30.224.5652. Published by **CUTS International**, Head Office: D-217, Bhaskar Marg, Bani Park, Jaipur 302016, India, Ph: 91.141.2282821, Fax: 91.141.2282485, E-mail: [cuts@cuts.org](mailto:cuts@cuts.org), Web Site: [www.cuts-international.org](http://www.cuts-international.org)

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